



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3429

by Rep. Carol A. Sente

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Securities Law of 1953. Creates an exemption from certain filing and registration requirements under the Act for intrastate securities offerings that meet certain conditions, including that (1) the offering meets all of the requirements of the federal exemption for intrastate offerings provided under the Securities Act of 1933; (2) the aggregate purchase price of all securities sold by an issuer within any 12-month period does not exceed: (i) \$3,000,000; or (ii) \$5,000,000 if the issuer has undergone and made available certain financial statements to specified persons; and (3) the aggregate amount sold to any purchaser in an offering of securities made within any consecutive 12-month period does not exceed certain monetary limitations. Provides that an issuer may make an offering or sale of securities through the use of one or more qualified Internet portals, subject to certain requirements, including that (i) the Internet portal shall at all times be owned by a corporation or other legal entity which is either organized under the laws of, or is otherwise qualified to do business in, this State; (ii) the Internet portal shall establish and maintain commercially reasonable measures to limit access to any information concerning an offering or sale of the subject securities to residents of this State; and (iii) the Internet portal shall establish and maintain a secure method of communication through the Internet portal itself that will permit potential investors to communicate with one another and with representatives of the issuer about the offering. Requires the Secretary of State to collect a \$100 fee for securities offered or sold under the exemption created under this amendatory Act; and a \$300 fee for the registration and renewal of a qualified Internet portal. Defines terms.

LRB099 04381 JLS 29575 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Securities Law of 1953 is amended
5 by changing Sections 4, 11a, and 18.1 and by adding Sections
6 2.34, 2.35, 2.36, and 8d as follows:

7 (815 ILCS 5/2.34 new)

8 Sec. 2.34. Accredited investor. "Accredited investor" has
9 the meaning given to that term in 17 CFR 230.501(a), as amended
10 and in effect from time to time.

11 (815 ILCS 5/2.35 new)

12 Sec. 2.35. Qualified escrowee. "Qualified escrowee" means
13 a person, firm, partnership, association, corporation, or
14 other legal entity who: (a) falls under the definition of
15 "title insurance company" under, and pursuant to the terms and
16 requirements of, the Title Insurance Act; (b) is certified as
17 an independent escrowee under, and pursuant to the terms and
18 requirements of, the Title Insurance Act; or (c) is a bank,
19 regulated trust company or corporate fiduciary, savings bank,
20 savings and loan association, or credit union which is
21 authorized to do business in the State and which maintains at
22 least one physical business location within the State.

1 (815 ILCS 5/2.36 new)

2 Sec. 2.36. Qualified Internet portal. "Qualified Internet
3 portal" means an Internet portal maintained by a corporation or
4 other legal entity that is being used to offer or sell
5 securities and that meets the requirements of Section 8d of
6 this Act.

7 (815 ILCS 5/4) (from Ch. 121 1/2, par. 137.4)

8 Sec. 4. Exempt transactions. The provisions of Sections 2a,
9 5, 6 and 7 of this Act shall not apply to any of the following
10 transactions, except where otherwise specified in this Section
11 4:

12 A. Any offer or sale, whether through a dealer or
13 otherwise, of securities by a person who is not an issuer,
14 underwriter, dealer or controlling person in respect of such
15 securities, and who, being the bona fide owner of such
16 securities, disposes thereof for his or her own account;
17 provided, that such offer or sale is not made directly or
18 indirectly for the benefit of the issuer or of an underwriter
19 or controlling person.

20 B. Any offer, sale, issuance or exchange of securities of
21 the issuer to or with security holders of the issuer except to
22 or with persons who are security holders solely by reason of
23 holding transferable warrants, transferable options, or
24 similar transferable rights of the issuer, if no commission or

1 other remuneration is paid or given directly or indirectly for
2 or on account of the procuring or soliciting of such sale or
3 exchange (other than a fee paid to underwriters based on their
4 undertaking to purchase any securities not purchased by
5 security holders in connection with such sale or exchange).

6 C. Any offer, sale or issuance of securities to any
7 corporation, bank, savings bank, savings institution, savings
8 and loan association, trust company, insurance company,
9 building and loan association, or dealer; to a pension fund,
10 pension trust, or employees' profit sharing trust, other
11 financial institution or institutional investor, any
12 government or political subdivision or instrumentality
13 thereof, whether the purchaser is acting for itself or in some
14 fiduciary capacity; to any partnership or other association
15 engaged as a substantial part of its business or operations in
16 purchasing or holding securities; to any trust in respect of
17 which a bank or trust company is trustee or co-trustee; to any
18 entity in which at least 90% of the equity is owned by persons
19 described under subsection C, H, or S of this Section 4; to any
20 employee benefit plan within the meaning of Title I of the
21 Federal ERISA Act if (i) the investment decision is made by a
22 plan fiduciary as defined in Section 3(21) of the Federal ERISA
23 Act and such plan fiduciary is either a bank, savings and loan
24 association, insurance company, registered investment adviser
25 or an investment adviser registered under the Federal 1940
26 Investment Advisers Act, or (ii) the plan has total assets in

1 excess of \$5,000,000, or (iii) in the case of a self-directed
2 plan, investment decisions are made solely by persons that are
3 described under subsection C, D, H or S of this Section 4; to
4 any plan established and maintained by, and for the benefit of
5 the employees of, any state or political subdivision or agency
6 or instrumentality thereof if such plan has total assets in
7 excess of \$5,000,000; or to any organization described in
8 Section 501(c)(3) of the Internal Revenue Code of 1986, any
9 Massachusetts or similar business trust, or any partnership, if
10 such organization, trust, or partnership has total assets in
11 excess of \$5,000,000.

12 D. The Secretary of State is granted authority to create by
13 rule or regulation a limited offering transactional exemption
14 that furthers the objectives of compatibility with federal
15 exemptions and uniformity among the states. The Secretary of
16 State shall prescribe by rule or regulation the amount of the
17 fee for filing any report required under this subsection, but
18 the fee shall not be less than the minimum amount nor more than
19 the maximum amount established under Section 11a of this Act
20 and shall not be returnable in any event.

21 E. Any offer or sale of securities by an executor,
22 administrator, guardian, receiver or trustee in insolvency or
23 bankruptcy, or at any judicial sale, or at a public sale by
24 auction held at an advertised time and place, or the offer or
25 sale of securities in good faith and not for the purpose of
26 avoiding the provisions of this Act by a pledgee of securities

1 pledged for a bona fide debt.

2 F. Any offer or sale by a registered dealer, either as
3 principal or agent, of any securities (except face amount
4 certificate contracts and investment fund shares) at a price
5 reasonably related to the current market price of such
6 securities, provided:

7 (1) (a) the securities are issued and outstanding;

8 (b) the issuer is required to file reports pursuant
9 to Section 13 or Section 15(d) of the Federal 1934 Act
10 and has been subject to such requirements during the 90
11 day period immediately preceding the date of the offer
12 or sale, or is an issuer of a security covered by
13 Section 12(g) (2) (B) or (G) of the Federal 1934 Act;

14 (c) the dealer has a reasonable basis for believing
15 that the issuer is current in filing the reports
16 required to be filed at regular intervals pursuant to
17 the provisions of Section 13 or Section 15(d), as the
18 case may be, of the Federal 1934 Act, or in the case of
19 insurance companies exempted from Section 12(g) of the
20 Federal 1934 Act by subparagraph 12(g) (2) (G) thereof,
21 the annual statement referred to in Section
22 12(g) (2) (G) (i) of the Federal 1934 Act; and

23 (d) the dealer has in its records, and makes
24 reasonably available upon request to any person
25 expressing an interest in a proposed transaction in the
26 securities, the issuer's most recent annual report

1 filed pursuant to Section 13 or 15(d), as the case may
2 be, of the Federal 1934 Act or the annual statement in
3 the case of an insurance company exempted from Section
4 12(g) of the Federal 1934 Act by subparagraph
5 12(g)(2)(G) thereof, together with any other reports
6 required to be filed at regular intervals under the
7 Federal 1934 Act by the issuer after such annual report
8 or annual statement; provided that the making
9 available of such reports pursuant to this
10 subparagraph, unless otherwise represented, shall not
11 constitute a representation by the dealer that the
12 information is true and correct, but shall constitute a
13 representation by the dealer that the information is
14 reasonably current; or

15 (2) (a) prior to any offer or sale, an application for
16 the authorization thereof and a report as set forth
17 under sub-paragraph (d) of this paragraph (2) has been
18 filed by any registered dealer with and approved by the
19 Secretary of State pursuant to such rules and
20 regulations as the Secretary of State may prescribe;

21 (b) the Secretary of State shall have the power by
22 order to refuse to approve any application or report
23 filed pursuant to this paragraph (2) if

24 (i) the application or report does not comply
25 with the provisions of this paragraph (2), or

26 (ii) the offer or sale of such securities would

1 work or tend to work a fraud or deceit, or
2 (iii) the issuer or the applicant has violated
3 any of the provisions of this Act;

4 (c) each application and report filed pursuant to
5 this paragraph (2) shall be accompanied by a filing fee
6 and an examination fee in the amount established
7 pursuant to Section 11a of this Act, which shall not be
8 returnable in any event;

9 (d) there shall be submitted to the Secretary of
10 State no later than 120 days following the end of the
11 issuer's fiscal year, each year during the period of
12 the authorization, one copy of a report which shall
13 contain a balance sheet and income statement prepared
14 as of the issuer's most recent fiscal year end
15 certified by an independent certified public
16 accountant, together with such current information
17 concerning the securities and the issuer thereof as the
18 Secretary of State may prescribe by rule or regulation
19 or order;

20 (e) prior to any offer or sale of securities under
21 the provisions of this paragraph (2), each registered
22 dealer participating in the offer or sale of such
23 securities shall provide upon request of prospective
24 purchasers of such securities a copy of the most recent
25 report required under the provisions of sub-paragraph
26 (d) of this paragraph (2);

1 (f) approval of an application filed pursuant to
2 this paragraph (2) of subsection F shall expire 5 years
3 after the date of the granting of the approval, unless
4 said approval is sooner terminated by (1) suspension or
5 revocation by the Secretary of State in the same manner
6 as is provided for in subsections E, F and G of Section
7 11 of this Act, or (2) the applicant filing with the
8 Secretary of State an affidavit to the effect that (i)
9 the subject securities have become exempt under
10 Section 3 of this Act or (ii) the applicant no longer
11 is capable of acting as the applicant and stating the
12 reasons therefor or (iii) the applicant no longer
13 desires to act as the applicant. In the event of the
14 filing of an affidavit under either preceding
15 sub-division (ii) or (iii) the Secretary of State may
16 authorize a substitution of applicant upon the new
17 applicant executing the application as originally
18 filed. However, the aforementioned substituted
19 execution shall have no effect upon the previously
20 determined date of expiration of approval of the
21 application. Notwithstanding the provisions of this
22 subparagraph (f), approvals granted under this
23 paragraph (2) of subsection F prior to the effective
24 date of this Act shall be governed by the provisions of
25 this Act in effect on such date of approval; and

26 (g) no person shall be considered to have violated

1 Section 5 of this Act by reason of any offer or sale
2 effected in reliance upon an approval granted under
3 this paragraph (2) after a termination thereof under
4 the foregoing subparagraph (f) if official notice of
5 such termination has not been circulated generally to
6 dealers by the Secretary of State and if such person
7 sustains the burden of proof that he or she did not
8 know, and in the exercise of reasonable care, could not
9 have known, of the termination; or

10 (3) the securities, or securities of the same class,
11 are the subject of an existing registration under Section 5
12 of this Act.

13 The exemption provided in this subsection F shall apply
14 only if the offer or sale is made in good faith and not for the
15 purpose of avoiding any of the provisions of this Act, and only
16 if the offer or sale is not made for the direct or indirect
17 benefit of the issuer of the securities, or the controlling
18 person in respect of such issuer.

19 G. (1) Any offer, sale or issuance of a security, whether
20 to residents or to non-residents of this State, where:

21 (a) all sales of such security to residents of this
22 State (including the most recent such sale) within the
23 immediately preceding 12-month period have been made
24 to not more than 35 persons or have involved an
25 aggregate sales price of not more than \$1,000,000;

26 (b) such security is not offered or sold by means

1 of any general advertising or general solicitation in
2 this State; and

3 (c) no commission, discount, or other remuneration
4 exceeding 20% of the sale price of such security, if
5 sold to a resident of this State, is paid or given
6 directly or indirectly for or on account of such sales.

7 (2) In computing the number of resident purchasers or
8 the aggregate sales price under paragraph (1) (a) above,
9 there shall be excluded any purchaser or dollar amount of
10 sales price, as the case may be, with respect to any
11 security which at the time of its sale was exempt under
12 Section 3 or was registered under Section 5, 6 or 7 or was
13 sold in a transaction exempt under other subsections of
14 this Section 4.

15 (3) A prospectus or preliminary prospectus with
16 respect to a security for which a registration statement is
17 pending or effective under the Federal 1933 Act shall not
18 be deemed to constitute general advertising or general
19 solicitation in this State as such terms are used in
20 paragraph (1) (b) above, provided that such prospectus or
21 preliminary prospectus has not been sent or otherwise
22 delivered to more than 150 residents of this State.

23 (4) The Secretary of State shall by rule or regulation
24 require the filing of a report or reports of sales made in
25 reliance upon the exemption provided by this subsection G
26 and prescribe the form of such report and the time within

1 which such report shall be filed. Such report shall set
2 forth the name and address of the issuer and of the
3 controlling person, if the sale was for the direct or
4 indirect benefit of such person, and any other information
5 deemed necessary by the Secretary of State to enforce
6 compliance with this subsection G. The Secretary of State
7 shall prescribe by rule or regulation the amount of the fee
8 for filing any such report, established pursuant to Section
9 11a of this Act, which shall not be returnable in any
10 event. The Secretary of State may impose, in such cases as
11 he or she may deem appropriate, a penalty for failure to
12 file any such report in a timely manner, but no such
13 penalty shall exceed an amount equal to five times the
14 filing fee. The contents of any such report or portion
15 thereof may be deemed confidential by the Secretary of
16 State by rule or order and if so deemed shall not be
17 disclosed to the public except by order of court or in
18 court proceedings. The failure to file any such report
19 shall not affect the availability of such exemption, but
20 such failure to file any such report shall constitute a
21 violation of subsection D of Section 12 of this Act,
22 subject to the penalties enumerated in Section 14 of this
23 Act. The civil remedies provided for in subsection A of
24 Section 13 of this Act and the civil remedies of rescission
25 and appointment of a receiver, conservator, ancillary
26 receiver or ancillary conservator provided for in

1 subsection F of Section 13 of this Act shall not be
2 available against any person by reason of the failure to
3 file any such report or on account of the contents of any
4 such report.

5 H. Any offer, sale or issuance of a security to an
6 accredited investor, whether made through a qualified Internet
7 portal or otherwise, if no commission or other remuneration is
8 paid or given directly or indirectly for soliciting any person
9 in this State, except to broker-dealers and agents licensed in
10 this State. ~~(1) any natural person who has, or is reasonably~~
11 ~~believed by the person relying upon this subsection H to have,~~
12 ~~a net worth or joint net worth with that person's spouse, at~~
13 ~~the time of the offer, sale or issuance, in excess of~~
14 ~~\$1,000,000 excluding the value of a principal residence, or (2)~~
15 ~~any natural person who had, or is reasonably believed by the~~
16 ~~person relying upon this subsection H to have had, an income or~~
17 ~~joint income with that person's spouse, in excess of \$200,000~~
18 ~~in each of the two most recent years and who reasonably~~
19 ~~expects, or is reasonably expected to have, an income in excess~~
20 ~~of \$200,000 in the current year, or (3) any person that is not~~
21 ~~a natural person and in which at least 90% of the equity~~
22 ~~interest is owned by persons who meet either of the tests set~~
23 ~~forth in clauses (1) or (2) of this subsection H; provided that~~
24 ~~such security is not offered or sold by means of any general~~
25 ~~advertising or general solicitation in this State.~~

26 I. Any offer, sale or issuance of securities to or for the

1 benefit of security holders of any person incident to a vote by
2 such security holders pursuant to such person's organizational
3 document or any applicable statute of the jurisdiction of such
4 person's organization, on a merger, consolidation,
5 reclassification of securities, or sale or transfer of assets
6 in consideration of or exchange for securities of the same or
7 another person.

8 J. Any offer, sale or issuance of securities in exchange
9 for one or more outstanding securities, claims or property
10 interests, or partly in such exchange and partly for cash,
11 where such offer, sale or issuance is incident to a
12 reorganization, recapitalization, readjustment, composition or
13 settlement of a claim, as approved by a court of competent
14 jurisdiction of the United States, or any state.

15 K. Any offer, sale or issuance of securities for patronage,
16 or as patronage refunds, or in connection with marketing
17 agreements by cooperative associations organized exclusively
18 for agricultural, producer, marketing, purchasing, or consumer
19 purposes; and the sale of subscriptions for or shares of stock
20 of cooperative associations organized exclusively for
21 agricultural, producer, marketing, purchasing, or consumer
22 purposes, if no commission or other remuneration is paid or
23 given directly or indirectly for or on account of such
24 subscription, sale or resale, and if any person does not own
25 beneficially more than 5% of the aggregate amount of issued and
26 outstanding capital stock of such cooperative association.

1 L. Offers for sale or solicitations of offers to buy (but
2 not the acceptance thereof), of securities which are the
3 subject of a pending registration statement filed under the
4 Federal 1933 Act and which are the subject of a pending
5 application for registration under this Act.

6 M. Any offer or sale of preorganization subscriptions for
7 any securities prior to the incorporation, organization or
8 formation of any issuer under the laws of the United States, or
9 any state, or the issuance by such issuer, after its
10 incorporation, organization or formation, of securities
11 pursuant to such preorganization subscriptions, provided the
12 number of subscribers does not exceed 25 and either (1) no
13 commission or other remuneration is paid or given directly or
14 indirectly for or on account of such sale or sales or issuance,
15 or (2) if any commission or other remuneration is paid or given
16 directly or indirectly for or on account of such sale or sales
17 or issuance, the securities are not offered or sold by any
18 means of general advertising or general solicitation in this
19 State.

20 N. The execution of orders for purchase of securities by a
21 registered salesperson and dealer, provided such persons act as
22 agent for the purchaser, have made no solicitation of the order
23 to purchase the securities, have no direct interest in the sale
24 or distribution of the securities ordered, receive no
25 commission, profit, or other compensation other than the
26 commissions involved in the purchase and sale of the securities

1 and deliver to the purchaser written confirmation of the order
2 which clearly identifies the commissions paid to the registered
3 dealer.

4 O. Any offer, sale or issuance of securities, other than
5 fractional undivided interests in an oil, gas or other mineral
6 lease, right or royalty, for the direct or indirect benefit of
7 the issuer thereof, or of a controlling person, whether through
8 a dealer (acting either as principal or agent) or otherwise, if
9 the securities sold, immediately following the sale or sales,
10 together with securities already owned by the purchaser, would
11 constitute 50% or more of the equity interest of any one
12 issuer, provided that the number of purchasers is not more than
13 5 and provided further that no commission, discount or other
14 remuneration exceeding 15% of the aggregate sale price of the
15 securities is paid or given directly or indirectly for or on
16 account of the sale or sales.

17 P. Any offer, sale or issuance of securities (except face
18 amount certificate contracts and investment fund shares)
19 issued by and representing an interest in an issuer which is a
20 business corporation incorporated under the laws of this State,
21 the purposes of which are to provide capital and supervision
22 solely for the redevelopment of blighted urban areas located in
23 a municipality in this State and whose assets are located
24 entirely within that municipality, provided: (1) no
25 commission, discount or other remuneration is paid or given
26 directly or indirectly for or on account of the sale or sales

1 of such securities; (2) the aggregate amount of any securities
2 of the issuer owned of record or beneficially by any one person
3 will not exceed the lesser of \$5,000 or 4% of the equity
4 capitalization of the issuer; (3) the officers and directors of
5 the corporation have been bona fide residents of the
6 municipality not less than 3 years immediately preceding the
7 effectiveness of the offering sheet for the securities under
8 this subsection P; and (4) the issuer files with the Secretary
9 of State an offering sheet descriptive of the securities
10 setting forth:

11 (a) the name and address of the issuer;

12 (b) the title and total amount of securities to be
13 offered;

14 (c) the price at which the securities are to be
15 offered; and

16 (d) such additional information as the Secretary of
17 State may prescribe by rule and regulation.

18 The Secretary of State shall within a reasonable time
19 examine the offering sheet so filed and, unless the Secretary
20 of State shall make a determination that the offering sheet so
21 filed does not conform to the requirements of this subsection
22 P, shall declare the offering sheet to be effective, which
23 offering sheet shall continue effective for a period of 12
24 months from the date it becomes effective. The fee for
25 examining the offering sheet shall be as established pursuant
26 to Section 11a of this Act, and shall not be returnable in any

1 event. The Secretary of State shall by rule or regulation
2 require the filing of a report or reports of sales made to
3 residents of this State in reliance upon the exemption provided
4 by this subsection P and prescribe the form of such report and
5 the time within which such report shall be filed. The Secretary
6 of State shall prescribe by rule or regulation the amount of
7 the fee for filing any such report, but such fee shall not be
8 less than the minimum amount nor more than the maximum amount
9 established pursuant to Section 11a of this Act, and shall not
10 be returnable in any event. The Secretary of State may impose,
11 in such cases as he or she may deem appropriate, a penalty for
12 failure to file any such report in a timely manner, but no such
13 penalty shall exceed an amount equal to five times the filing
14 fee. The contents of any such report shall be deemed
15 confidential and shall not be disclosed to the public except by
16 order of court or in court proceedings. The failure to file any
17 such report shall not affect the availability of such
18 exemption, but such failure to file any such report shall
19 constitute a violation of subsection D of Section 12 of this
20 Act, subject to the penalties enumerated in Section 14 of this
21 Act. The civil remedies provided for in subsection A of Section
22 13 of this Act and the civil remedies of rescission and
23 appointment of a receiver, conservator, ancillary receiver or
24 ancillary conservator provided for in subsection F of Section
25 13 of this Act shall not be available against any person by
26 reason of the failure to file any such report or on account of

1 the contents of any such report.

2 Q. Any isolated transaction, whether effected by a dealer
3 or not.

4 R. Any offer, sale or issuance of a security to any person
5 who purchases at least \$150,000 of the securities being
6 offered, where the purchaser's total purchase price does not,
7 or it is reasonably believed by the person relying upon this
8 subsection R that said purchase price does not, exceed 20
9 percent of the purchaser's net worth at the time of sale, or if
10 a natural person a joint net worth with that person's spouse,
11 for one or any combination of the following: (i) cash, (ii)
12 securities for which market quotations are readily available,
13 (iii) an unconditional obligation to pay cash or securities for
14 which quotations are readily available, which obligation is to
15 be discharged within five years of the sale of the securities
16 to the purchaser, or (iv) the cancellation of any indebtedness
17 owed by the issuer to the purchaser; provided that such
18 security is not offered or sold by means of any general
19 advertising or general solicitation in this State.

20 S. Any offer, sale or issuance of a security to any person
21 who is, or who is reasonably believed by the person relying
22 upon this subsection S to be, a director, executive officer, or
23 general partner of the issuer of the securities being offered
24 or sold, or any director, executive officer, or general partner
25 of a general partner of that issuer. For purposes of this
26 subsection S, "executive officer" shall mean the president, any

1 vice president in charge of a principal business unit, division
2 or function (such as sales, administration or finance), any
3 other officer who performs a policy making function, or any
4 other person who performs similar policy making functions for
5 the issuer. Executive officers of subsidiaries may be deemed
6 executive officers of the issuer if they perform such policy
7 making functions for the issuer.

8 A document being filed pursuant to this Section 4 shall be
9 deemed filed, and any fee paid pursuant to this Section 4 shall
10 be deemed paid, upon the date of actual receipt thereof by the
11 Secretary of State.

12 T. An offer or sale of a security by an issuer that is
13 organized and, as of the time of the offer and the time of
14 sale, in good standing under the laws of the State of Illinois,
15 made solely to persons or entities that are, as of the time of
16 the offer and time of sale, residents of the State of Illinois,
17 provided:

18 (1) The offering meets all of the requirements of the
19 federal exemption for intrastate offerings provided in
20 Section 3(a)(11) of the Securities Act of 1933 (15 U.S.C.
21 77c(a)(11)) and Rule 147 adopted under the Securities Act
22 of 1933 (17 CFR 230.147).

23 (2) The aggregate purchase price of all securities sold
24 by an issuer in reliance on the exemption under this
25 subsection, within any 12-month period, does not exceed:
26 (i) \$3,000,000; or (ii) \$5,000,000 if the issuer has

1 undergone and made available (directly, or through a
2 qualified Internet portal), to each prospective purchaser
3 and the Secretary of State, copies of its most recent
4 financial statements which have been audited by an
5 independent auditor and certified by a senior officer of
6 the issuer as fairly, completely, and accurately
7 presenting the financial condition of the issuer, in all
8 material respects, as of the dates indicated therein.
9 Amounts received in connection with any offer or sale to
10 any accredited investor or any of the following shall not
11 count toward the calculation of the foregoing monetary
12 limitations:

13 (a) any entity (including, without limitation, any
14 trust) in which all of the equity interests are owned
15 by (or with respect to any trust, the primary
16 beneficiaries are) persons who are accredited
17 investors or who meet one or more of the criteria in
18 subparagraphs (b) through (d) of this paragraph (2);

19 (b) with respect to participating in an offering of
20 a particular issuer, a natural person serving as an
21 officer, director, partner, or trustee of, or
22 otherwise occupying similar status or performing
23 similar functions with respect to, such issuer;

24 (c) with respect to participating in an offering of
25 a particular issuer, a natural person or entity who
26 owns 10% or more of the then aggregate outstanding

1 voting capital securities of such issuer; or

2 (d) such other person or entity as the Secretary of
3 State may hereafter exempt by rule.

4 The Secretary of State may hereafter cumulatively
5 increase the dollar limitations provided in this
6 paragraph.

7 (3) The aggregate amount sold by an issuer to any
8 purchaser (other than an accredited investor or a person or
9 entity which meets one or more of the criteria in
10 subparagraphs (a) through (d) of paragraph (2) of this
11 subsection T) in an offering of securities made in reliance
12 on the exemption provided in this subsection T, within any
13 consecutive 12-month period, does not exceed \$5,000.

14 With respect to satisfaction of the foregoing, an
15 issuer may rely on the written self-representation of a
16 purchaser as to whether such purchaser has, or has not,
17 exceeded such applicable maximum purchase limitation
18 during the applicable 12-month period, provided the issuer
19 has no knowledge, or other reason to believe, that such
20 limitation has been exceeded by the purchaser.

21 (4) The issuer:

22 (a) establishes a maximum amount and a minimum
23 amount (being no less than 50% of the maximum amount)
24 of securities to be sold and a deadline for selling (or
25 otherwise getting commitments for the purchase of) the
26 established minimum amount of securities;

1 (b) conspicuously discloses the information
2 required pursuant to subparagraph (a) in any agreement
3 evidencing a purchaser's subscription to purchase
4 securities of the issuer and that the purchaser may
5 cancel such commitment at any time upon notice to the
6 issuer and without penalty, if the minimum target
7 offering amount is not raised on or before the proposed
8 deadline; and

9 (c) enters into an escrow agreement with a
10 qualified escrowee providing that, at a minimum:

11 (i) all funds to be received in connection with
12 the proposed offering shall be delivered to, and
13 held by, the qualified escrowee pursuant to the
14 terms of the escrow agreement; and

15 (ii) the issuer shall not have access to the
16 escrow funds, or any portion thereof, until the
17 aggregate funds received by the qualified escrowee
18 in connection with the proposed offering equals or
19 exceeds the minimum amount of securities to be sold
20 as established by the issuer.

21 (5) The issuer has made available, to each prospective
22 purchaser and the Secretary of State, copies of its most
23 recent financial statements personally certified by one or
24 more senior officers of the issuer as fairly, completely,
25 and accurately presenting the financial condition of the
26 issuer, in all material respects, as of the dates indicated

1 therein.

2 (6) No commission or other remuneration is paid or
3 given directly or indirectly to any person or entity
4 (including, without limitation, any qualified Internet
5 portal) for soliciting any person in this State, except to
6 broker-dealers and agents licensed in this State.

7 (7) Not less than 5 days before the earlier of the
8 first sale of securities made in reliance on the exemption
9 provided in this subsection T, or the use of any general
10 solicitation with respect thereto (other than a general
11 announcement made by (or on behalf of) an issuer in
12 accordance with paragraph (13) of this subsection T), the
13 issuer:

14 (a) files a notice with the Secretary of State, in
15 a written or electronic form as prescribed by the
16 Secretary of State (which form the Secretary of State
17 shall make available on the Secretary of State's
18 Internet website), which specifies that the issuer
19 intends to make an offering of securities in reliance
20 on the exemption provided in this subsection T and
21 which includes the names and addresses of: (i) the
22 issuer; (ii) all persons or qualified Internet portals
23 that will sell or offer to sell the security on behalf
24 of the issuer; and (iii) the qualified escrowee engaged
25 to escrow the funds from the subject offering; further,
26 for so long as the offering remains open, the issuer

1 shall file a new notice with the Secretary of State
2 (without additional charge, provided such notice is
3 identified as an amendment to a previously filed
4 notice) if any previously provided non-fraudulent
5 information has materially changed or has since become
6 erroneous, false, or materially misleading;

7 (b) delivers a fully executed copy of the escrow
8 agreement required pursuant to subparagraph (c) of
9 paragraph (4); further, for so long as the offering
10 remains open, the issuer shall promptly deliver to the
11 Secretary of State a fully executed copy of all
12 amendments to the escrow agreement; the information
13 provided pursuant to this subparagraph (b) shall not be
14 a public record and shall not be available for public
15 inspection; and

16 (c) pays the notification filing fee established
17 under Section 11a of this Act.

18 The Secretary of State shall, within a reasonable time,
19 examine the materials filed pursuant to this paragraph (7)
20 and, unless the Secretary of State notifies the issuer (or
21 the qualified Internet portal, to the extent used), on or
22 before the initial commencement date of the offering, of
23 his or her determination that any one or more of the filed
24 materials fails to conform to the requirements of this
25 subsection T, the proposed offering shall be deemed
26 permitted.

1 The Secretary of State shall prescribe by rule the
2 amount of the fee for filing the notice required in
3 subparagraph (a), established pursuant to Section 11a of
4 this Act, which shall not be returnable in any event. The
5 Secretary of State may impose, in such cases as he or she
6 may deem appropriate, a penalty for failure to file any
7 such notice in a timely manner, but no such penalty shall
8 exceed an amount equal to 5 times the filing fee. The
9 contents of any such notice or portion thereof may be
10 deemed confidential by the Secretary of State by rule or
11 order and if so deemed shall not be disclosed to the public
12 except by order of court or in court proceedings. The
13 failure to file any such notice does not affect the
14 availability of such exemption, but such failure to file
15 any such report constitutes a violation of subsection D of
16 Section 12 of this Act, subject to the penalties in Section
17 14 of this Act.

18 (8) The issuer provides a copy of the escrow agreement
19 and all other documents or information then provided to the
20 Secretary of State under subparagraph (a) or (b) of
21 paragraph (7) to each prospective purchaser at the time the
22 offer of securities is made. Further, for so long as the
23 offering remains open, the issuer is required to promptly
24 provide to each prospective and completed purchaser a copy
25 of all replacements, modifications, attachments, updates,
26 or other information provided to the Secretary of State

1 pursuant to subparagraph (a) or (b) of paragraph (7). An
2 issuer may satisfy the reporting requirement of this
3 paragraph (8) by making the information available, in a
4 printable format, on its own website or through a qualified
5 Internet portal provided such information is promptly made
6 available by the issuer and the issuer promptly alerts each
7 prospective purchaser or completed purchaser of the
8 availability of the information.

9 (9) All payments for purchase of securities offered
10 pursuant to the exemption provided under this subsection T
11 are made directly to, and held by, the qualified escrowee
12 identified in the escrow agreement required pursuant to
13 subparagraph (c) of paragraph (4).

14 (10) The issuer includes each of the following in one
15 or more of the offering materials delivered to a
16 prospective purchaser, or to which a prospective purchaser
17 has been granted electronic access, in connection with the
18 offering:

19 (a) a description of the issuer, its type of
20 entity, the address, and telephone number of its
21 principal office;

22 (b) a reasonably detailed description of the
23 intended use of the offering proceeds, including any
24 amounts to be paid, as compensation or otherwise, to
25 any owner, executive officer, director, managing
26 member, or other person occupying a similar status or

1 performing similar functions on behalf of the issuer;

2 (c) the identity of all persons owning more than
3 10% of the voting capital securities of the issuer;

4 (d) the identity of the executive officers,
5 directors, managing members, and other persons
6 occupying a similar status or performing similar
7 functions in the name of and on behalf of the issuer,
8 including their titles and a reasonably detailed
9 description of their prior experience;

10 (e) the identity of any person or entity who has
11 been or will be retained by the issuer to assist the
12 issuer in conducting the offering and sale of the
13 securities (including all qualified Internet portals
14 but excluding persons acting solely as accountants or
15 attorneys and employees whose primary job
16 responsibilities involve the operating business of the
17 issuer rather than assisting the issuer in raising
18 capital) and a description of the consideration being
19 paid to each such person or entity for such assistance;

20 (f) any additional information material to the
21 offering, including a description of significant
22 factors that make the offering speculative or risky for
23 the purchaser;

24 (g) the information required pursuant to
25 subparagraphs (a) and (b) of paragraph (4) of this
26 subsection T;

1 (h) such other information as the Secretary of
2 State may hereafter require by rule.

3 (11) The issuer (directly or through a qualified
4 Internet portal) requires each purchaser to certify, in
5 writing or electronically, that the purchaser:

6 (a) is a resident of the State of Illinois;

7 (b) understands that he or she is investing in a
8 high-risk, highly speculative, business venture, that
9 he or she may lose all of his or her investment, and
10 that he or she can afford such a loss of his or her
11 investment;

12 (c) understands that the securities being offered
13 are highly illiquid, that there is no ready market for
14 the sale of such securities, that it may be difficult
15 or impossible for purchaser to sell or otherwise
16 dispose of such securities, and (where applicable)
17 that purchaser may be required to hold the securities
18 for an indefinite period of time; and

19 (d) understands that purchaser may be subject to
20 the payment of certain taxes with respect to the
21 securities being purchased whether or not purchaser
22 has sold, or otherwise disposed of, such securities or
23 whether purchaser has received any distributions or
24 other amounts from the issuer.

25 (12) The issuer (directly or through a qualified
26 Internet portal) obtains from each purchaser of a security

1 offered under this subsection T evidence that the purchaser
2 is a resident of this State and, if applicable, is an
3 accredited investor. Without limiting the generality of
4 the foregoing, and not to the exclusion of other reasonable
5 methods which may be used by the issuer in connection with
6 the foregoing, an issuer may rely:

7 (a) on a copy of a valid driver's license or
8 State-issued identification (or third-party
9 verification based on a purchaser's valid driver's
10 license or State-issued identification information) or
11 verification (independently or by a third-party) of
12 the state of origination of the purchaser's Internet
13 Protocol (IP) address for purposes of establishing an
14 individual purchaser's residence, provided the issuer
15 has no knowledge, or other reason to believe, that the
16 individual purchaser is not a resident of the State;
17 and

18 (b) on representations signed, in writing or
19 electronically, by a purchaser for purposes of
20 establishing such purchaser's status as an accredited
21 investor, provided the issuer has no knowledge, or
22 other reason to believe, that such representations
23 are, or may be, false in whole or in part.

24 (13) The issuer (and, to the extent a qualified
25 Internet portal is used, such qualified Internet portal)
26 takes commercially reasonable measures to limit access to

1 any information concerning the offer or sale of the subject
2 securities to residents of this State. Notwithstanding the
3 foregoing, an issuer is permitted to disseminate (and is
4 not deemed in violation of this paragraph (13) for
5 disseminating) through a qualified Internet portal or
6 otherwise a general announcement regarding the issuer's
7 intent to make an offer in reliance on the exemption under
8 this subsection T, so long as such general announcement
9 contains a statement making it clear that the offering is
10 directed only to residents of this State and the
11 information provided in such general announcement is
12 limited only to one or more of the following:

13 (a) a statement that the issuer is conducting an
14 offering in reliance on the exemption under this
15 subsection T;

16 (b) the name and web address of a qualified
17 Internet portal conducting the offering;

18 (c) the minimum and maximum amount of the offering;

19 or

20 (d) factual information about the legal identity
21 and business location of the issuer, limited to: the
22 name of the issuer; the address, phone number, and
23 website (if any) of the issuer; a one-sentence
24 description of the business of the issuer; or the
25 contact information of a representative of the issuer.

26 (14) The issuer (and, to the extent a qualified

1 Internet portal is used, the entity maintaining such
2 qualified Internet portal) reasonably believes that all
3 purchasers are purchasing for investment and not for sale
4 in connection with a distribution of the security.

5 (15) Until no securities issued under this exemption
6 are outstanding, the issuer shall provide quarterly to each
7 purchaser, free of charge, internally or accountant
8 prepared quarterly financial statements of the issuer,
9 certified by a senior officer of the issuer as fairly,
10 completely, and accurately presenting the financial
11 condition of the issuer, in all material respects, as of
12 the dates indicated therein. An issuer may satisfy the
13 reporting requirement of this paragraph (15) by making the
14 information available on its own website or through a
15 qualified Internet portal if the information is made
16 available within 45 days after the end of each fiscal
17 quarter, the information remains available until the
18 succeeding quarterly report is issued, and the issuer
19 promptly alerts each purchaser of the availability of the
20 information.

21 (16) The issuer (and to the extent a qualified Internet
22 portal is used, such qualified Internet portal) maintains
23 records of all offers and sales of securities made pursuant
24 to the exemption granted by this subsection T and provides
25 ready access to such records to the Secretary of State,
26 upon notice from the Secretary of State.

1 (17) The issuer is not, either before or as a result of
2 the offering:

3 (a) an investment company, as defined in Section 3
4 of the Investment Company Act of 1940 (15 U.S.C.
5 80a-3), as amended and in effect (unless the issuer
6 qualifies for exclusion from such definition pursuant
7 to one or more of the exceptions provided in Section
8 3(c) of the Investment Company Act of 1940, any other
9 provision of the Investment Company Act of 1940, or any
10 administrative rule or regulation promulgated with
11 respect to the Investment Company Act of 1940 or in
12 connection therewith); or

13 (b) subject to the reporting requirements of
14 Section 13 or 15(d) of the Securities Exchange Act of
15 1934 (15 U.S.C. 78m or 15 U.S.C. 78o(d)).

16 (18) Neither the issuer, nor any person affiliated with
17 the issuer (either before or as a result of the offering),
18 nor the offering itself, nor the qualified Internet portal
19 (to the extent used) is subject to disqualification
20 established by the Secretary of State by rule or contained
21 in the Securities Act of 1933 (15 U.S.C. 77c(a)(11)) and
22 Rule 147 adopted under the Securities Act of 1933 (17 CFR
23 230.147), unless both of the following are met:

24 (a) on a showing of good cause and without
25 prejudice to any other action by the Secretary of
26 State, the Secretary of State determines that it is not

1 necessary under the circumstances that an exemption is
2 denied; and

3 (b) the issuer establishes that it made a factual
4 inquiry into whether any disqualification existed
5 under this paragraph (18), but did not know, and in the
6 exercise of reasonable care could not have known, that
7 a disqualification existed under this paragraph (18);
8 the nature and scope of the requisite inquiry will vary
9 based on the circumstances of the issuer and the other
10 offering participants.

11 (Source: P.A. 90-70, eff. 7-8-97; 91-809, eff. 1-1-01.)

12 (815 ILCS 5/8d new)

13 Sec. 8d. Offerings made through qualified Internet
14 portals. An issuer shall make an offering or sale of
15 securities pursuant to subsection T of Section 4 of this Act
16 through the use of one or more qualified Internet portals,
17 subject to the following:

18 (a) The Internet portal shall at all times be owned by
19 a corporation or other legal entity which is either
20 organized under the laws of, or is otherwise registered to
21 do business in, this State, and the entity shall be in good
22 standing in this State as of the date of the proposed
23 offering of securities.

24 (b) The Internet portal shall establish and maintain
25 commercially reasonable measures to limit access to any

1 information concerning an offer or sale of the subject
2 securities (other than information permitted of the type
3 permitted in connection with a general announcement by the
4 issuer pursuant to paragraph (13) of subsection T of
5 Section 4) to only residents of this State. Without
6 limiting the generality of the foregoing, and not to the
7 exclusion of other reasonable methods which may be utilized
8 by the Internet portal in connection with the foregoing, an
9 Internet portal may rely:

10 (i) for purposes of access to offering materials in
11 connection with a proposed offering, a representation
12 signed, in writing or electronically, by an individual
13 prospective purchaser, or verification (independently
14 or by a third-party) of the state of origination of the
15 purchaser's Internet Protocol (IP) address, for
16 purposes of establishing such purchaser's residence,
17 provided the entity maintaining the Internet portal
18 has no knowledge, or other reason to believe, that the
19 individual purchaser is not a resident of the State;
20 and

21 (ii) in connection with an actual purchase and sale
22 of a security pursuant to a proposed offering, on a
23 copy of a valid driver's license or State-issued
24 identification (or third-party verification based on a
25 purchaser's valid driver's license or State-issued
26 identification information) or verification

1 (independently or by a third-party) of the state of
2 origination of the purchaser's Internet Protocol (IP)
3 address for purposes of establishing an individual
4 purchaser's residence, provided the issuer has no
5 knowledge, or other reason to believe, that the
6 individual purchaser is not a resident of the State.

7 (c) The Internet portal shall establish and maintain
8 (during the time the offering appears on the Internet
9 portal) a secure method of communication through the
10 Internet portal itself that will permit potential
11 investors to communicate with one another and with
12 representatives of the issuer about the offering. Further,
13 the foregoing communications must be made visible and
14 accessible (at all times during the time the offering
15 appears on the Internet portal) to all those with access to
16 the offering materials of the issuer.

17 (d) The Internet portal shall establish and maintain a
18 secure method of communication through the Internet portal
19 itself that will permit the issuer and purchasers to
20 communicate with one another.

21 (e) The Internet portal:

22 (1) shall be a registered broker-dealer under the
23 Securities Exchange Act of 1934 (15 U.S.C. 78o);

24 (2) shall be a funding portal registered under the
25 Securities Act of 1933 (15 U.S.C. 77d-1) and the
26 Securities and Exchange Commission has adopted rules

1 under authority of Section 3(h) of the Securities
2 Exchange Act of 1934 (15 U.S.C. 78c) and Section 304 of
3 the Jumpstart Our Business Startups Act (P.L. 112-106)
4 governing funding portals;

5 (3) shall be a dealer or an investment advisor
6 registered under this Act as of the date of any offer
7 or sale of securities made through the Internet portal;
8 or

9 (4) shall, to the extent it meets the
10 qualifications for exemption from registration
11 pursuant to subsection (g) of this Section:

12 (A) file, not later than 30 days before the
13 date of the first offer or sale of securities made
14 within this State, an application for
15 qualification (or renewal of qualification, as
16 applicable) as a qualified Internet portal with
17 the Secretary of State, in writing or in electronic
18 form as prescribed by the Secretary of State, which
19 the Secretary of State shall make available as an
20 electronic document on the Secretary of State's
21 Internet website, containing such information and
22 required deliveries as specified therein; and

23 (B) pay the application filing fee established
24 under Section 11a of this Act; the Secretary of
25 State shall, within a reasonable time, examine the
26 filed application and other materials filed and,

1 unless the Secretary of State notifies the
2 Internet portal of the rejection of such
3 application (or renewal application, as
4 applicable) on or before the initial commencement
5 date of the offering, the Internet portal shall be
6 deemed to be a qualified Internet portal for
7 purposes of this Act.

8 (f) If any change occurs in the information submitted
9 by, or on behalf of, an Internet portal to the Secretary of
10 State, the Internet portal shall notify the Secretary of
11 State within 10 days after such change occurs and shall
12 provide the Secretary of State with such additional
13 information (if any) requested by the Secretary of State in
14 connection therewith.

15 (g) Notwithstanding anything contained in this Act to
16 the contrary, neither an Internet portal nor its owning or
17 operating entity is required to register as a dealer or an
18 investment advisor under this Act if each of the following
19 applies with respect to the Internet portal and its owning
20 or operating entity:

21 (1) It does not solicit purchases, sales, or offers
22 to buy the securities offered or displayed on the
23 Internet portal.

24 (2) It does not collect or hold funds in connection
25 with any purchase, sale, or offer to buy any securities
26 offered or displayed on the Internet portal.

1 (3) It does not compensate employees, agents, or
2 other persons for the solicitation or based on the sale
3 of securities displayed or referenced on the Internet
4 portal.

5 (4) It is not compensated based on the amount of
6 securities sold.

7 (5) The fee it charges an issuer for an offering of
8 securities on the Internet portal is a fixed amount for
9 each offering, a variable amount based on the length of
10 time that the securities are offered on the Internet
11 portal, a variable amount based on the total proposed
12 offering amount, or any combination of such fixed and
13 variable amounts.

14 (6) It does not offer investment advice or
15 recommendations; however, an Internet portal is not
16 deemed to be offering investment advice or
17 recommendations simply by virtue of:

18 (A) selecting transactions in which the
19 Internet portal shall serve as an intermediary;

20 (B) establishing reasonable selection criteria
21 for an issuer to meet in order to establish an
22 offer or sale of securities through the Internet
23 portal;

24 (C) establishing reasonable selection criteria
25 for a potential purchaser to meet in order to
26 participate in an offer or sale of securities made

1 through the Internet portal; or
2 (D) terminating an issuer transaction at any
3 time before the first sale of the securities of
4 such issuer if the Internet portal determines such
5 action is appropriate, after reasonable due
6 diligence, to protect potential purchasers, and
7 the Internet portal is able to direct the qualified
8 escrowee to return all funds then provided by
9 potential purchasers, if any.

10 (7) It does not engage in such other activities as
11 the Secretary of State, by rule, determines are
12 prohibited.

13 (h) Upon completion of an offering made pursuant to
14 subsection T of Section 4, each qualified Internet portal
15 involved with the transactions (and the issuer, to the
16 extent applicable) shall store any and all electronic
17 materials related to the completed offering (including
18 copies of all offering documents, all offering materials,
19 and all purchaser information) on a secure, non-public,
20 server or in such other manner as the Secretary of State
21 may hereafter deem acceptable by rule.

22 (815 ILCS 5/11a) (from Ch. 121 1/2, par. 137.11a)
23 Sec. 11a. Fees.

24 (1) The Secretary of State shall by rule or regulation
25 impose and shall collect reasonable fees necessary for the

1 administration of this Act including, but not limited to, fees
2 for the following purposes:

3 (a) filing an application pursuant to paragraph (2) of
4 subsection F of Section 4 of this Act;

5 (b) examining an application and report pursuant to
6 paragraph (2) of subsection F of Section 4 of this Act;

7 (c) filing a report pursuant to subsection G of Section
8 4 of this Act, determined in accordance with paragraph (4)
9 of subsection G of Section 4 of this Act;

10 (d) examining an offering sheet pursuant to subsection
11 P of Section 4 of this Act;

12 (e) filing a report pursuant to subsection P of Section
13 4, determined in accordance with subsection P of Section 4
14 of this Act;

15 (f) examining an application to register securities
16 under subsection B of Section 5 of this Act;

17 (g) examining an amended or supplemental prospectus
18 filed pursuant to the undertaking required by
19 sub-paragraph (i) of paragraph (2) of subsection B of
20 Section 5 of this Act;

21 (h) registering or renewing registration of securities
22 under Section 5, determined in accordance with subsection C
23 of Section 5 of this Act;

24 (i) registering securities in excess of the amount
25 initially registered, determined in accordance with
26 paragraph (2) of subsection C of Section 5 of this Act;

1 (j) failure to file timely an application for renewal
2 under subsection E of Section 5 of this Act;

3 (k) failure to file timely any document or information
4 required under Section 5 of this Act;

5 (l) examining an application to register face amount
6 certificate contracts under subsection B of Section 6 of
7 this Act;

8 (m) examining an amended or supplemental prospectus
9 filed pursuant to the undertaking required by
10 sub-paragraph (f) of paragraph (2) of subsection B of
11 Section 6 of this Act;

12 (n) registering or renewing registration of face
13 amount certificate contracts under Section 6 of this Act;

14 (o) amending a registration of face amount certificate
15 contracts pursuant to subsection E of Section 6 of this Act
16 to add any additional series, type or class of contract;

17 (p) failure to file timely an application for renewal
18 under subsection F of Section 6 of this Act;

19 (q) adding to or withdrawing from deposits with respect
20 to face amount certificate contracts pursuant to
21 subsection H of Section 6, a transaction charge payable at
22 the times and in the manner specified in subsection H of
23 Section 6 (which transaction charge shall be in addition to
24 the annual fee called for by subsection H of Section 6 of
25 this Act);

26 (r) failure to file timely any document or information

1 required under Section 6 of this Act;

2 (s) examining an application to register investment
3 fund shares under subsection B of Section 7 of this Act;

4 (t) examining an amended or supplemental prospectus
5 filed pursuant to the undertaking required by
6 sub-paragraph (f) of paragraph (2) of subsection B of
7 Section 7 of this Act;

8 (u) registering or renewing registration of investment
9 fund shares under Section 7 of this Act;

10 (v) amending a registration of investment fund shares
11 pursuant to subsection D of Section 7 of this Act to
12 register an additional class or classes of investment fund
13 shares;

14 (w) failure to file timely an application for renewal
15 under paragraph (1) of subsection G of Section 7 of this
16 Act;

17 (x) examining an application for renewal of
18 registration of investment fund shares under paragraph (2)
19 of subsection G of Section 7 of this Act;

20 (y) failure to file timely any document or information
21 required under Section 7 of this Act;

22 (z) filing an application for registration or
23 re-registration of a dealer or limited Canadian dealer
24 under Section 8 of this Act for each office in this State;

25 (aa) in connection with an application for the
26 registration or re-registration of a salesperson under

1 Section 8 of ~~or~~ this Act, for the following purposes:

2 (i) filing an application;

3 (ii) a Securities Audit and Enforcement Fund fee;

4 and

5 (iii) a notification filing of federal covered

6 investment advisers;

7 (bb) in connection with an application for the

8 registration or re-registration of an investment adviser

9 under Section 8 of this Act;

10 (cc) failure to file timely any document or information

11 required under Section 8 of this Act;

12 (dd) filing a consent to service of process under

13 Section 10 of this Act;

14 (ee) issuing a certificate pursuant to subsection B of

15 Section 15 of this Act;

16 (ff) issuing a certified copy pursuant to subsection C

17 of Section 15 of this Act;

18 (gg) issuing a non-binding statement pursuant to

19 Section 15a of this Act;

20 (hh) filings by Notification under Section 2a;

21 (ii) notification filing of federal Regulation D,

22 Section 506 offering under the Federal 1933 Act;

23 (jj) notification filing of securities and closed-end

24 investment company securities;

25 (kk) notification filing of face amount certificate

26 contracts;

1 (ll) notification filing of open-end investment
2 company securities;

3 (mm) filing a report pursuant to subsection D of
4 Section 4 of this Act;

5 (nn) in connection with the filing of an application
6 for registration or re-registration of an investment
7 adviser representative under subsection D of Section 8 of
8 this Act; ~~and~~

9 (oo) filing a notice pursuant to paragraph (6) of
10 subsection T of Section 4 of this Act; and

11 (pp) applying for qualification, or renewing
12 qualification, as a qualified Internet portal pursuant to
13 paragraph (iv) of subsection (b) of Section 8d of this Act.

14 (2) The Secretary of State may, by rule or regulation,
15 raise or lower any fee imposed by, and which he or she is
16 authorized by law to collect under, this Act.

17 (Source: P.A. 90-70, eff. 7-8-97; 91-357, eff. 7-29-99; revised
18 12-11-14.)

19 (815 ILCS 5/18.1)

20 Sec. 18.1. Additional fees. In addition to any other fee
21 that the Secretary of State may impose and collect pursuant to
22 the authority contained in Sections 4, 8, and 11a of this Act,
23 beginning on July 1, 2003 the Secretary of State shall also
24 collect the following additional fees:

1	Securities offered or sold under the Uniform	
2	Limited Offering Exemption Pursuant to	
3	Section 4.D of the Act	\$100
4	<u>Securities offered or sold under the Uniform</u>	
5	<u>Limited Offering Exemption pursuant to subsection</u>	
6	<u>T of Section 4 of this Act.....</u>	<u>\$100</u>
7	Registration and renewal of a dealer	\$300
8	<u>Registration and renewal of a qualified Internet</u>	
9	<u>portal</u>	<u>\$300</u>
10	Registration and renewal of an investment adviser	\$200
11	Federal covered investment adviser notification	
12	filing and annual notification filing	\$200
13	Registration and renewal of a salesperson	\$75
14	Registration and renewal of an investment adviser	
15	representative and a federal covered	
16	investment adviser representative	\$75

17 Investment fund shares notification filing and annual
18 notification filing: \$800 plus \$80 for each series, class, or
19 portfolio.

20 All fees collected by the Secretary of State pursuant to
21 this amendatory Act of the 93rd General Assembly shall be
22 deposited into the General Revenue Fund in the State treasury.

23 (Source: P.A. 93-32, eff. 7-1-03.)

1 INDEX

2 Statutes amended in order of appearance

3 815 ILCS 5/2.34 new

4 815 ILCS 5/2.35 new

5 815 ILCS 5/2.36 new

6 815 ILCS 5/4 from Ch. 121 1/2, par. 137.4

7 815 ILCS 5/8d new

8 815 ILCS 5/11a from Ch. 121 1/2, par. 137.11a

9 815 ILCS 5/18.1